

HOUSE BILL REPORT

HB 1080

As Passed House:

March 3, 2009

Title: An act relating to allowing impact fees to be used for all fire protection facilities.

Brief Description: Allowing impact fees to be used for all fire protection facilities.

Sponsors: Representatives Simpson and Williams.

Brief History:

Committee Activity:

Local Government & Housing: 1/22/09, 2/2/09 [DP].

Floor Activity

Passed House: 3/3/09, 63-33.

Brief Summary of Bill

- Modifies the definition of "public facilities" for which impact fees may be collected and spent to include all fire protection facilities, rather than only fire protection facilities in jurisdictions that are not part of a fire district.

HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

Majority Report: Do pass. Signed by 7 members: Representatives Simpson, Chair; Nelson, Vice Chair; Miloscia, Springer, Upthegrove, White and Williams.

Minority Report: Do not pass. Signed by 3 members: Representatives Angel, Ranking Minority Member; Cox, Assistant Ranking Minority Member; Short.

Staff: Ethan Moreno (786-7386)

Background:

Impact Fees.

Counties, cities, and towns that plan under the major provisions of the Growth Management Act (GMA) are authorized to impose impact fees on development activity as part of the

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financing of public facilities. Impact fees are payments of money required of developers as a condition of development approval. Local governments are required to use impact fees to pay for certain public facilities that are made necessary as the result of a development and must ensure that such fees are:

- used only for system improvements that are reasonably related to the impact of the development on the use of public facilities;
- do not exceed a proportionate share of the cost of system improvements made necessary by the development; and
- are used for system improvements that reasonably benefit the new development.

In determining how system improvements are to be financed, a local government must provide for a balance between impact fees and other sources of public funds and cannot rely solely on impact fees. Additionally, local ordinances must also include a fee schedule for each type of development activity subject to impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule must be based upon a formula or other method of calculating the prorated impact fee.

The types of "public facilities" that may receive funding from impact fees are limited to specified types of capital facilities owned or operated by government entities. Such public facilities are limited to the following:

- public streets and roads;
- publicly owned parks, open spaces, and recreation facilities;
- school facilities; and
- fire protection facilities in jurisdictions that are not part of a fire district.

Fire Protection Districts.

Fire protection districts are created to provide fire and emergency services to protect life and property in locales outside of cities and towns. A fire protection district may be established through a process involving a petition by the residents of a proposed district, a public hearing, and voter approval.

Summary of Bill:

The definition of "public facilities" for which impact fees may be collected and spent is modified to include all fire protection facilities, rather than only fire protection facilities in jurisdictions that are not part of a fire district.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Following its incorporation, the City of Covington, recognizing the financial benefits of doing so, contracted with a fire district for the provision of fire protection services. This bill will change a provision in law that prevents Covington from collecting impact fees for fire services: a provision that applies because fire protection services in the city are provided by a fire district. Most Washington cities and counties plan under the GMA. These same jurisdictions are eligible to impose impact fees, but current limits restrict the collection of impact fees. Only cities that provide their own fire services can collect impact fees for fire protection facilities. This bill is permissive: it authorizes, but does not mandate, impact fee collections for fire protection facilities. The public policy of this bill makes sense.

Doubts exist as to whether impact fees for fire facilities will be imposed under this bill for private residences in rural districts, but fees might be collected for commercial developments. A new method for recovering additional costs would be helpful to fire districts. Fire districts must provide urban levels of service in unincorporated, independent urban growth areas. Rural populations are growing and creating substantial workload increases for districts. Without additional funding, levels of service will decrease. This bill offers a solution to problems that districts are facing. Impact fees are imposed through local decisions, may only be used for system improvements, may not be used for staffing or system deficiencies, and must be proportionate. This is a fairness issue: the costs of system improvements should be borne by developers who receive the benefits of increased property values and services, not the residents that preceded the development.

(Opposed) This bill creates an increased reliance on impact fees within a larger geographic area. Impact fees are an unstable source of funding and will increase housing costs. Impact fees are only imposed for new homes and they place a disproportionate burden on low-income populations. Broad-based funding sources are preferable to impact fees.

Persons Testifying: (In support) Rolla Ritchey, Washington State Fire Commissioners; Dave Williams, Association of Washington Cities; Tom Fields and Jon Sitkin, Whatcom Fire District #21, Yakima Fire Districts #5 and #12, and Chelan Fire District #1.

(Opposed) Timothy Harris, Building Industry Association of Washington.

Persons Signed In To Testify But Not Testifying: None.